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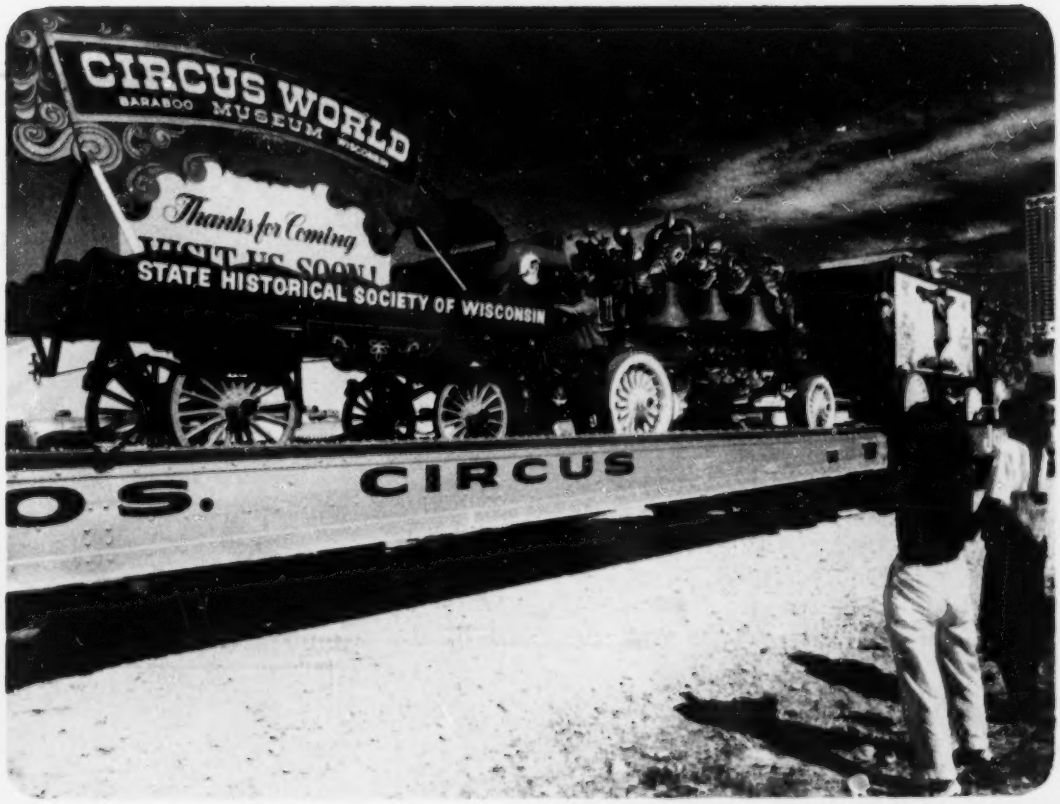
WISCONSIN ECONOMIC INDICATORS

MAY 1990



DILHR
DEPARTMENT OF
INDUSTRY, LABOR & HUMAN RELATIONS

WISCONSIN DATA AND SOURCES

	INDICATOR	SOURCES
L1	Composite Index of Leading Indicators	Wi. Dept. of Industry, Labor and Human Relations
L2	Average Work Week, Manufacturing	Wi. Dept. of Industry, Labor and Human Relations
L3	Average Overtime Hours, Mfg.	Wi. Dept. of Industry, Labor and Human Relations
L4	Average Weekly Initial Claims	Wi. Dept. of Industry, Labor and Human Relations
L5	Total Job Openings Received	Wi. Dept. of Industry, Labor and Human Relations
L6	New Business Incorporations	Wisconsin Secretary of State
L7	Net Gain in Business Phone Access Lines	Wi. Telephone Co. and General Telephone Co.
L8	Building Plans Examined	Wi. Dept. of Industry, Labor and Human Relations
C1	Help-Wanted Advertising Index (Milw.)	National Industrial Conference Board
C2	Total Unemployment Rate	Wi. Dept. of Industry, Labor and Human Relations
C3	Natural Gas Sales	Wisconsin Public Service Commission
C4	New Car Registrations	Wi. Dept. of Transportation
C5	Electric Power Sales	Wisconsin Public Service Commission
C6	Total Security Registrations	Wisconsin Commissioner of Securities
C7	Manufacturing Employment	Wi. Dept. of Industry, Labor and Human Relations
C8	Average Weekly Earnings, Mfg.	Wi. Dept. of Industry, Labor and Human Relations
C9	Cash Receipts From Farm Marketing	U.S. Department of Agriculture
C10	Contract Construction Employment	Wi. Dept. of Industry, Labor and Human Relations
X1	Birth Registrations	Wi. Dept. of Health and Social Services
X2	Death Registrations	Wi. Dept. of Health and Social Services
X3	Natural Net Gain in Population	Wi. Dept. of Health and Social Services
X4	Marriage Registrations	Wi. Dept. of Health and Social Services
X5	Consumer Price Index (Milwaukee)	U.S. Bureau of Labor Statistics
X6	Index of Prices Received By Farmers	Wisconsin Department of Agriculture
X7	Net Gain in Residential Phone Access Lines	Wi. Telephone Co. and General Telephone Co.
X8	Labor Disputes, No. of Workers	Wi. Dept. of Industry, Labor and Human Relations
X9	Unemployment Compensation Exhaustees	Wi. Dept. of Industry, Labor and Human Relations

NOTES: Selected series are seasonally adjusted by the Bureau of the Census X-11 Variant of the census Method 11 Seasonal Adjustment Program.

SECTION A is a summary of recent data and current changes for all indicators and is presented in chart form. The indicators are presented with cyclical timing as the principle basis of classification.

SECTION B is a summary of Wisconsin Labor Force Estimates, including Employment, Unemployment and Unemployment Rates, and selected U.S. data.

SECTION C analyzes the Wisconsin labor force by industry and by specified Metropolitan Statistical Areas.

SECTION D singles out certain economic time series as being leading of coinciding in relation to movements in aggregate economic activity. They are seasonally adjusted and presented graphically.

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WISCONSIN ECONOMIC INDICATORS

SUMMARY FOR APRIL

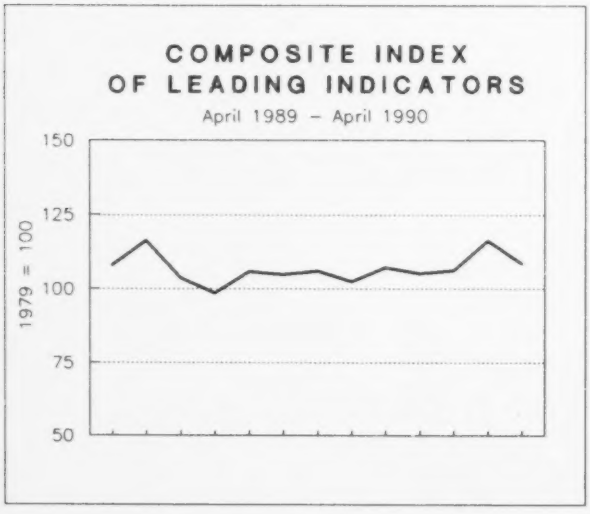
COMPOSITE INDEX

The Composite Index of Wisconsin's leading economic indicators decreased by 7.8 percentage points in April. However, last month's index reading matched the highest level ever attained by the index, and sustaining that is difficult.

This April's index figure of 108.6 is the second highest April level since 1979 and is above the average for the last sixteen months.

It is important to note that the Good Friday holiday affected both the average workweek in manufacturing and the average weekly overtime hours. Both are components of the index.

The average number of hours worked in manufacturing decreased, and that along with smaller gains in business telephone access lines and fewer building plans examined all contributed to a lower index level.



LEADING INDICATORS

The average workweek in Wisconsin's manufacturing industries slipped by 1.4 hours per week. A slight decrease of about a tenth of an hour would have been normal, but April's employer survey, from which employment, hours, and wages data are collected covered the week which included the Good Friday holiday leave. Thus, April's workweek average is not indicative of economic conditions in the state's manufacturing sector.

The average weekly overtime hours worked by Wisconsin production workers also decreased, by 0.9 hours. But overtime hours, too, were affected by the holiday weekend.

The average number of weekly initial claims for unemployment compensation decreased by 366 in April. The claims level normally does decrease in April, but this month's decline was weak. A normal decrease would have amounted to about a thousand.

The number of job openings received by public Job Service offices throughout the state increased by 1537 in April, a strong showing for this month. A decrease of about 80 would have been par.

New business incorporations decreased by 148 in April, a more than normal decrease.

The net gain in business telephone access lines slowed, but most of the reduction is a normal seasonal decline.

The number of commercial and industrial building plans examined grew by 117 in April, but that is less than normal for the month.

Section

A WISCONSIN ECONOMIC INDICATORS

	Unit	Monthly Series				% Change		Avg
		Latest Month		Mo. Ago	Yr. Ago	Mo. Ago	Yr. Ago	1989
LEADING INDICATORS								
L1 COMPOSITE INDEX OF LEADING INDICATORS								
Seasonally Adjusted	Index	APR	108.6	116.4	108.1	-6.7%	0.5%	106.5
L2 AVG. WORK WEEK, MFG.								
Unadjusted	Hours	APR	40.1	41.5	41.4	-3.4%	-3.1%	41.5
Seasonally Adjusted			40.3	41.7	41.7	-3.4%	-3.4%	
L3 AVG. OVERTIME HOURS, MFG.								
Unadjusted	Hours	APR	3.0	3.9	3.7	-23.1%	-18.9%	3.9
Seasonally Adjusted			3.3	4.1	4.1	-19.5%	-19.5%	
L4 AVG. WEEKLY INITIAL CLAIMS								
Unadjusted	Number	APR	7301	7667	6058	-4.8%	20.5%	7425
Seasonally Adjusted			8549	7808	7096	9.5%	20.5%	
L5 TOTAL JOB OPENINGS RECEIVED								
Unadjusted	Number	APR	8760	7223	7739	21.3%	13.2%	7383
Seasonally Adjusted			9097	7587	8036	19.9%	13.2%	
L6 NEW BUSINESS INCORPORATIONS								
Unadjusted	Number	APR	598	746	578	-19.8%	3.5%	602
Seasonally Adjusted			553	686	534	-19.4%	3.6%	
L7 NET GAIN IN BUSINESS TELEPHONE ACCESS LINES								
Unadjusted	Number	APR	2050	3102	2644	-33.9%	-22.5%	2784
Seasonally Adjusted			2873	3072	2536	-6.5%	13.3%	
L8 BUILDING PLANS EXAMINED								
Unadjusted	Number	APR	761	644	636	18.2%	19.7%	610
Seasonally Adjusted			730	785	610	-7.0%	19.7%	
COINCIDING INDICATORS								
C1 HELP-WANTED INDEX (MILW.)								
Seasonally Adjusted	Index	DEC	92	97	103	-5.2%	-10.7%	88
C2 UNEMPLOYMENT RATE, TOTAL								
Unadjusted	Percent	APR	4.7	4.9	4.4	.....	.....	4.4
Seasonally Adjusted			4.7	4.2	4.4	.....	.....	
C3 NATURAL GAS SALES								
Unadjusted	Mil.	FEB	320.3	335.7	366.4	-4.6%	-12.6%	201.5
Seasonally Adjusted	Therms		177.2	173.0	202.6	2.4%	-12.5%	
C4 NEW CAR REGISTRATIONS								
Unadjusted	Number	APR	18,838	10,913	17,861	72.6%	5.5%	14,665
Seasonally Adjusted			17,638	11,585	16,731	52.2%	5.4%	
C5 ELECTRIC POWER SALES								
Unadjusted	Mil.	FEB	3370.9	3684.0	2303.1	-8.5%	46.4%	2982.3
Seasonally Adjusted	KWH		3544.6	3710.0	2421.7	-4.5%	46.4%	
C6 TOTAL SECURITIES REGISTRATIONS								
Unadjusted	Mil. $	FEB	41.8	42.9	42.4	-2.6%	-1.4%	145.7
Seasonally Adjusted			36.6	39.1	37.1	-6.4%	-1.3%	

Section

A WISCONSIN ECONOMIC INDICATORS

	Unit	Monthly Series				% Change		Avg.
		Latest Month		Mo. Ago	Yr. Ago	Mo. Ago	Yr. Ago	1989
C7 MANUFACTURING EMPLOYMENT								
Unadjusted	Thous.	APR	553.4	548.9	550.5	0.8%	0.5%	556.6
Seasonally Adjusted			560.1	558.4	557.1	0.3%	0.5%	
C8 AVG. WEEKLY EARNINGS, MFG.								
Unadjusted	Dollars	APR	$441.50	$459.82	$445.05	-4.0%	-0.8%	$446.49
Seasonally Adjusted			$441.94	$458.90	$444.25	-3.7%	-0.5%	
C9 CASH RECEIPTS FROM FARM MKTG.								
Unadjusted	Mil. $	FEB	409.5	480.9	377.3	-14.8%	8.5%	456.8
Seasonally Adjusted			464.3	463.3	427.6	0.2%	8.6%	
C10 CONTRACT CONSTRUCTION EMPL.								
Unadjusted	Thous.	APR	79.3	74.3	73.4	6.7%	8.0%	80.8
Seasonally Adjusted			85.5	90.9	79.1	-5.9%	8.1%	
OTHER KEY INDICATORS								
X1 BIRTH REGISTRATIONS								
Unadjusted	Number	APR	6023	6038	6242	-0.2%	-3.5%	5761
Seasonally Adjusted			6347	6032	6580	5.2%	-3.5%	
X2 DEATH REGISTRATIONS								
Unadjusted	Number	APR	3519	3615	3433	-2.7%	2.5%	3425
Seasonally Adjusted			3685	3357	3596	9.8%	2.5%	
X3 NATURAL NET GAIN POPULATION								
Unadjusted	Number	APR	2504	2423	2809	3.3%	-10.9%	2336
Seasonally Adjusted			2608	2527	2927	3.2%	-10.9%	
X4 MARRIAGE REGISTRATIONS								
Unadjusted	Number	APR	2221	1502	2634	47.9%	-15.7%	3353
Seasonally Adjusted			3205	2839	3799	12.9%	-15.6%	
X5 CONSUMER PRICE INDEX			(Dec '89)	(Jun '89)	(Dec '88)			
Unadjusted (1982-1984 = 100)	Index	DEC	121.2	120.3	117.2	0.7%	3.4%	120.8
X6 PRICES RECEIVED BY FARMERS								
Unadjusted	Index	APR	158	154	141	2.6%	12.1%	149
Seasonally Adjusted			162	156	145	3.8%	11.7%	
X7 NET GAIN IN RESIDENTIAL TELEPHONE ACCESS LINES								
Unadjusted	Number	APR	1140	3551	2546	-67.9%	-55.2%	1853
Seasonally Adjusted			2228	2250	2054	-1.0%	8.5%	
X8 LABOR DISPUTES, NO. OF WORKERS								
Unadjusted	Number	APR	1310	371	273	253.1%	379.9%	375
Seasonally Adjusted			1721	439	359	292.0%	379.4%	
X9 UNEMPLOYMENT COMPENSATION EXHAUSTEES								
Unadjusted	Number	APR	11,283	10,747	11,348	5.0%	-0.6%	10436
Seasonally Adjusted			10,304	10,801	10,362	-4.6%	-0.6%	

Section

B LABOR FORCE ESTIMATES

WISCONSIN LABOR FORCE ESTIMATES APRIL	(In Thousands)			% Change	
	Latest Month	Mo. Ago	Yr. Ago	Mo. Ago	Yr. Ago
Unadjusted					
CIVILIAN LABOR FORCE	2550.6	2545.9	2601.7	0.2%	-2.0%
Employment (incl. Labor Disputes)	2430.7	2420.0	2486.9	0.4%	-2.3%
Unemployment	119.9	125.9	114.8	-4.8%	4.4%
Unemployment Rate	4.7	4.9	4.4	.....	.....
Seasonally Adjusted					
CIVILIAN LABOR FORCE	2569.1	2578.1	2620.5	-0.3%	-2.0%
Employment (incl. Labor Disputes)	2447.8	2469.4	2504.4	-0.9%	-2.3%
Unemployment	121.2	108.7	116.1	11.5%	4.4%
Unemployment Rate	4.7	4.2	4.4	.....	.....

WISCONSIN EMPLOYMENT ESTIMATES APRIL Unadjusted	(In Thousands)			% Change	
	Latest Month	Mo. Ago	Yr. Ago	Mo. Ago	Yr. Ago
TOTAL NONFARM WAGE AND SALARY WORKERS	2256.8	2227.2	2208.8	1.3%	2.2%
Contract Construction	79.3	74.3	73.4	6.7%	8.0%
Manufacturing	552.2	548.6	550.2	0.7%	0.4%
Transportation, Communication and Public Utilities	99.0	98.4	99.0	0.6%	0.0%
Electric, Gas and Sanitary Services	17.1	17.1	17.3	0.0%	-1.2%
Wholesale Trade	120.7	118.9	115.1	1.5%	4.9%
Retail Trade	414.0	407.2	404.4	1.7%	2.4%
General Merchandise	50.8	51.0	50.3	-0.4%	1.0%
Food Stores	61.7	61.5	59.9	0.3%	3.0%
Auto Dealers & Gas Stations	46.2	45.4	44.5	1.8%	3.8%
Finance, Insurance and Real Estate	119.7	118.8	116.9	0.8%	2.4%
Banks & Depository Institutions	39.7	39.6	38.5	0.3%	3.1%
Insurance Carriers	42.3	42.0	41.3	0.7%	2.4%
Service and Miscellaneous	518.0	512.9	504.6	1.0%	2.7%
Business Services	79.0	78.2	79.0	1.0%	-1.0%
Health Services	180.2	180.3	172.7	-0.1%	4.4%
Hospitals	75.8	75.8	73.5	0.0%	3.1%
Private Education	27.0	26.9	26.6	0.4%	1.5%
Social Services	41.2	40.5	39.7	1.7%	3.8%
Government	351.9	346.3	343.1	1.6%	2.6%
State Government	90.1	88.6	89.9	1.7%	0.2%
Local Government	230.5	227.7	223.4	1.2%	3.2%

UNITED STATES LABOR FORCE ESTIMATES MAY	(In Thousands)			% Change	
	Latest Month	Mo. Ago	Yr. Ago	Mo. Ago	Yr. Ago
Seasonally Adjusted					
CIVILIAN LABOR FORCE	125,004	124,886	123,551	0.1%	1.2%
Employment (incl. Labor Disputes)	118,350	118,116	117,132	0.2%	1.0%
Unemployment	6,653	6,770	6,419	-1.7%	3.6%
Unemployment Rate	5.3%	5.4%	5.2%	.....	.....

MANUFACTURING EMPLOYMENT Unadjusted APRIL	(In Thousands)			% Change	
	Latest Month	Mo. Ago	Yr. Ago	Mo. Ago	Yr. Ago
All Manufacturing	552.2	548.6	550.2	0.7%	0.4%
Durable Goods	335.8	334.4	337.6	0.4%	-0.5%
Lumber and Wood Products (Excl. Furniture)	26.9	26.2	26.7	2.7%	0.7%
Millwork, Plywood & Related	15.0	14.3	14.4	4.9%	4.2%
Furniture and Fixtures	12.5	12.5	12.5	0.0%	0.0%
Stone, Clay, and Glass Products	7.7	7.0	7.6	10.0%	1.3%
Primary Metal Industries	22.0	22.0	22.7	0.0%	-3.1%
Iron and Steel Foundries	11.4	11.4	11.6	0.0%	-1.7%
Fabricated Metal Products	59.1	58.9	58.2	0.3%	1.5%
Fabricated Structural Metal Products	13.7	13.8	13.7	-0.7%	0.0%
Metal Stampings	12.5	12.5	12.2	0.0%	2.5%
Industrial Machinery	111.4	111.7	111.0	-0.3%	0.4%
Engines and Turbines	16.3	17.0	17.4	-4.1%	-6.3%
Farm & Garden Machinery	12.8	12.7	12.3	0.8%	4.1%
Construction & Related Machinery	13.0	12.9	12.4	0.8%	4.8%
Metalworking Machinery	16.2	16.2	15.5	0.0%	4.5%
Special Industry Machinery	13.7	13.6	13.5	0.7%	1.5%
Gen. Industrial Mach. and Equip.	13.7	13.6	13.4	0.7%	2.2%
Electronic & Other Electrical Machinery	36.9	36.9	38.5	0.0%	-4.2%
Electrical Industrial Apparatus	13.5	13.5	14.0	0.0%	-3.6%
Transportation Equipment	27.0	27.3	29.3	-1.1%	-7.8%
Motor Vehicles and Equipment	18.9	19.0	21.4	-0.5%	-11.7%
Instrument and Related Products	21.0	20.9	21.1	0.5%	-0.5%
Miscellaneous Manufacturing	11.2	11.1	10.1	0.9%	10.9%
Nondurable Goods	216.4	214.3	212.6	1.0%	1.8%
Food and Kindred Products	58.7	58.9	59.4	-0.3%	-1.2%
Meat Products	15.1	15.0	14.7	0.7%	2.7%
Dairy Products	16.8	16.8	17.1	0.0%	-1.8%
Preserved Fruits & Vegetables	8.5	8.7	9.1	-2.3%	-6.6%
Textile Mill Products	4.0	4.0	4.4	0.0%	-9.1%
Apparel and Other Textiles	7.1	7.0	7.2	1.4%	-1.4%
Paper and Allied Products	50.3	50.2	49.3	0.2%	2.0%
Paper Mills	30.1	29.9	29.8	0.7%	1.0%
Printing, Publishing and Allied Products	46.1	46.0	44.6	0.2%	3.4%
Newspapers	12.9	12.8	12.3	0.8%	4.9%
Commercial Printing	21.2	21.3	20.8	-0.5%	1.9%
Chemicals and Allied Products	10.6	10.5	10.7	1.0%	-0.9%
Rubber and Misc. Plastics Products	32.6	30.7	30.1	6.2%	8.3%
Miscellaneous Plastics Products	26.4	25.8	24.1	2.3%	9.5%
Leather & Leather Products	6.7	6.6	6.6	1.5%	1.5%

Section

C

WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS Unadjusted APRIL	Average Weekly Earnings			Average Weekly Hours		
	Latest Mo.	Mo. Ago	Yr. Ago	Latest Mo.	Mo. Ago	Yr. Ago
All Manufacturing	$441.50	$459.82	$445.05	40.1	41.5	41.4
Durable Goods	430.64	464.12	451.19	39.4	41.7	41.7
Lumber and Wood Products (Excl. Furniture)	332.59	333.96	326.42	39.5	39.9	40.2
Furniture and Fixtures	339.79	358.48	369.37	38.7	41.3	42.9
Stone, Clay, and Glass Products	470.37	462.65	482.69	44.5	44.4	47.0
Primary Metal Industries	442.54	456.46	450.75	40.6	41.8	43.3
Iron and Steel Foundries	463.30	482.18	469.49	42.7	44.4	45.1
Fabricated Metal Products	417.68	430.15	415.95	40.2	41.4	40.9
Fabricated Structural Metal Products	426.36	444.14	424.69	40.8	41.9	41.8
Metal Stampings	439.97	449.40	466.21	40.7	42.0	41.7
Industrial Machinery	492.05	535.49	496.93	40.2	43.5	42.4
Engines and Turbines	500.28	574.91	514.61	37.9	41.6	39.8
Farm & Gardem Machinery	493.68	536.76	531.72	39.4	42.6	43.3
Construction & Related Machinery	577.71	604.22	508.15	44.1	46.3	43.1
Metalworking Machinery	531.36	568.11	564.32	40.5	43.6	44.4
Special Industry Machinery	455.38	554.85	522.22	35.8	45.0	43.7
Gen. Industrial Mach. and Equip.	443.31	459.85	431.63	41.2	43.3	42.4
Electronic & Other Electrical Machinery	378.10	394.76	382.00	38.7	40.2	40.0
Electrical Industrial Apparatus	381.24	401.80	421.46	38.2	40.1	42.4
Transportation Equipment	495.86	618.66	639.60	36.3	42.0	43.1
Instrument and Related Products	397.12	422.87	429.66	36.4	38.2	39.6
Nondurable Goods	458.14	453.20	437.30	41.2	41.2	41.1
Food and Kindred Products	432.07	432.72	408.62	40.8	40.9	40.1
Meat Products	391.42	406.64	369.72	39.9	41.2	40.1
Dairy Products	435.50	428.06	405.49	42.2	41.6	41.0
Textile Mill Products	369.49	368.87	364.10	41.1	41.4	43.5
Apparel and Other Textiles	264.49	263.90	257.56	37.2	37.7	38.1
Paper and Allied Products	633.38	596.70	593.52	46.3	44.2	45.1
Paper Mills	725.05	664.41	647.65	49.9	46.3	45.9
Printing, Publishing and Allied Products	450.38	454.28	420.66	39.3	39.4	38.0
Chemicals and Allied Products	395.26	415.76	427.22	38.3	39.9	41.0
Rubber and Misc. Plastics Products	347.90	354.89	348.39	38.4	40.1	40.7
Leather & Leather Products	264.97	281.70	270.82	36.7	40.3	38.8

AVERAGE HOURLY EARNINGS Unadjusted APRIL	Including Overtime			Excluding Overtime		
	Latest Mo	Mo Ago	Yr Ago	Latest Mo	Mo Ago	Yr Ago
All Manufacturing (Incl. Canning)	$11.01	$11.08	$10.75	$10.61	$10.58	$10.28
Durable Goods	10.93	11.13	10.82	10.62	10.64	10.35
Lumber and Wood Products (Excl. Furniture)	8.42	8.37	8.12	8.18	8.06	7.82
Furniture and Fixtures	8.78	8.68	8.61	8.59	8.33	8.34
Stone, Clay, and Glass Products	10.57	10.42	10.27	9.87	9.70	9.51
Primary Metal Industries	10.90	10.92	10.41	10.47	10.34	9.81
Iron and Steel Foundries	10.85	10.86	10.41	10.33	10.18	9.72
Fabricated Metal Products	10.39	10.39	10.17	10.04	9.95	9.67
Fabricated Structural Metal Products	10.45	10.60	10.16	10.09	10.09	9.77
Metal Stampings	10.81	10.70	11.18	10.49	10.30	10.70
Industrial Machinery	12.24	12.31	11.72	11.88	11.70	11.20
Engines and Turbines	13.20	13.82	12.93	13.11	13.14	12.51
Farm & Garden Machinery	12.53	12.60	12.28	12.27	12.10	11.73
Construction & Related Machinery	13.10	13.05	11.79	12.65	12.39	11.29
Metalworking Machinery	13.12	13.03	12.71	12.66	12.39	12.07
Special Industry Machinery	12.72	12.33	11.95	12.20	11.60	11.34
Gen. Industrial Mach. and Equip.	10.76	10.62	10.18	10.43	10.20	9.72
Electronic & Other Electrical Machinery	9.77	9.82	9.55	9.56	9.55	9.26
Electrical Industrial Apparatus	9.98	10.02	9.94	9.78	9.73	9.62
Transportation Equipment	13.66	14.73	14.84	13.38	13.98	14.19
Instrument and Related Products	10.91	11.07	10.85	10.83	10.91	10.55
Nondurable Goods	11.12	11.00	10.64	10.61	10.47	10.16
Food and Kindred Products	10.59	10.58	10.19	10.14	10.10	9.75
Meat Products	9.81	9.87	9.22	9.43	9.40	8.81
Dairy Products	10.32	10.29	9.89	9.79	9.80	9.43
Textile Mill Products	8.99	8.91	8.37	8.71	8.57	7.94
Apparel and Other Textiles	7.11	7.00	6.76	6.97	6.89	6.63
Paper and Allied Products	13.68	13.50	13.16	12.85	12.74	12.43
Paper Mills	14.53	14.35	14.11	13.53	13.47	13.27
Printing, Publishing and Allied Products	11.46	11.53	11.07	N.A.	N.A.	N.A.
Chemicals and Allied Products	10.32	10.42	10.42	10.08	10.08	10.03
Rubber and Misc. Plastics Products	9.06	8.85	8.56	8.71	8.43	8.23
Leather & Leather Products	7.22	6.99	6.98	7.01	6.75	6.77

Section

C

SUMMARY OF AREA DATA

MANUFACTURING EMPLOYMENT Unadjusted APRIL	(In Thousands)			% Change	
	Latest Month	Mo. Ago	Yr. Ago	Mo. Ago	Yr. Ago
United States	19318.0	19314.0	19580.0	0.0%	-1.3%
Wisconsin	552.2	548.6	550.2	0.7%	0.4%
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	53.9	53.8	53.3	0.2%	1.1%
Eau Claire (Eau Claire-Chippewa)	10.9	9.6	11.5	13.5%	-5.2%
Green Bay (Brown County)	23.9	23.9	23.9	0.0%	0.0%
Janesville-Beloit (Rock Co.)	17.7	17.6	18.5	0.6%	-4.3%
Kenosha (County)	9.6	9.6	10.2	0.0%	-5.9%
La Crosse (County)	10.1	10.0	10.3	1.0%	-1.9%
Madison (Dane County)	25.2	25.0	24.6	0.8%	2.4%
Milwaukee (Milwaukee-Ozaukee-Washington-Waukesha)	173.8	174.3	173.9	-0.3%	-0.1%
Racine (County)	26.4	26.3	26.5	0.4%	-0.4%
Sheboygan (County)	21.9	21.8	21.5	0.5%	1.9%
Wausau (Marathon County)	15.0	15.0	14.3	0.0%	4.9%

EARNINGS AND HOURS, MFG. Production Workers (Unadjusted) APRIL	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings			
							Incl. Overtime		Excl. Overtime	
	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Latest Month	Month Ago
United States	$427.57	$437.12	$426.81	39.7	40.7	41.0	$10.77	$10.74	.....	.....
Wisconsin	441.50	459.82	445.05	40.1	41.5	41.4	11.01	11.08	10.61	10.58
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	502.78	513.75	508.80	42.5	43.1	43.9	11.83	11.92	11.39	11.31
Eau Claire (Eau Claire-Chippewa)	500.84	476.67	447.20	43.4	44.8	41.6	11.54	10.64	11.01	10.09
Green Bay (Brown County)	496.90	491.21	471.55	41.1	40.9	41.4	12.09	12.01	11.63	11.47
Janesville-Beloit (Rock Co.)	375.57	530.40	563.07	32.1	41.6	42.4	11.70	12.75	11.25	11.85
Kenosha (County)	459.78	491.49	503.42	39.5	41.9	40.5	11.64	11.73	11.28	11.16
La Crosse (County)	370.54	378.10	374.52	38.2	39.1	39.8	9.70	9.67	9.44	9.45
Madison (Dane County)	417.68	423.46	412.46	40.2	40.6	41.0	10.39	10.43	10.07	10.09
Milwaukee (Milwaukee-Ozaukee-Washington-Waukesha)	462.04	493.66	479.41	39.9	41.8	41.4	11.58	11.81	11.17	11.22
Racine (County)	422.62	440.55	425.81	37.6	39.3	39.5	11.24	11.21	10.97	10.85
Sheboygan (County)	454.69	446.76	417.15	41.6	41.1	40.5	10.93	10.87	10.62	10.55
Wausau (Marathon County)	502.64	456.36	436.96	44.6	42.1	42.3	11.27	10.84	10.68	10.26

WISCONSIN'S ECONOMIC OUTLOOK

by David H. Peterson and Gene Schubert
Department of Revenue

A few months ago, many economists thought that the economy was slowing down enough to raise concerns about an eminent recession. Now, because the economy has continued to show resilience--the perceived weakness in the fourth quarter of 1989 and the first quarter of 1990 was due mainly to abnormal events--emphasis is once again shifting away from being concerned with a recessionary threat to managing the aspects of stubborn inflation. This shift in emphasis will allow the Federal Reserve slightly more room to maneuver, perhaps by tightening credit in the coming months, to insure that economic growth remains close to the potential long-run growth path of about 2 percent per year.

The current forecast assumes that the Federal Reserve will be successful in managing growth and inflation for the next three years, which will result in a forecast of real GNP growth of slightly above 2 percent for each of the next three years and inflation remaining at its current core rate of 4.5 percent.

Despite their proclaimed intent to eliminate inflation over the next five years, the central bankers, being bankers, recognize that fighting inflation through tighter credit policy will only worsen the plight of troubled financial institutions. They also recognize the potential havoc that a sustained drive to achieve a zero inflation goal would create for highly leveraged, debt-burdened manufacturing and service firms. As such, the Federal Reserve is likely to settle for current inflation rates for the next few years.

Because the rate of inflation tends to accelerate when the unemployment rate is below 5.5 percent and the manufacturing capacity utilization rate is above 82.5 percent, interest rates can be expected to be nudged upward by about 100 basis points (1 percent) over the coming year. This action can be expected because the unemployment rate has held steady in the 5.2-5.4 percent range for over a year, and capacity utilization has averaged 82-85 percent for the past 11 quarters. Gradually tighter credit should suffice to keep the economy on an even growth path of slightly above 2 percent for the next three years, without restricting credit needs too severely.

The risks attendant to this forecast center on the Federal Reserve's ability to react to events that could unsettle domestic financial markets. If the current federal budget talks fail to produce substantive deficit improvements or if large sequestrations become necessary, the Federal Reserve will need to accommodate the likely financial market shifts. There also exist foreign constraints on Federal Reserve policy. Investment activity in Eastern Europe will help determine the course of U.S. interest rates. Higher interest rates overseas would push the dollar down and force U.S. interest rates higher. If the Federal Reserve is too restrictive, a mild downturn could occur by year-end.

On the other hand, the Federal Reserve could misjudge the foreign constraints and try to boost growth. Lower interest rates would stimulate more growth but at the price of higher inflation. Eventually, accelerating inflation would force the Federal Reserve to hit the brakes, pushing interest rates up quickly and forcing the economy into a recession in 1991 or later.

The most optimistic scenario requires

that interest rates overseas drop, allowing U.S. rates to come down. Stronger growth of productivity and slower increases in wages would hold inflation down, and allow looser monetary policy. The result would be higher economic growth throughout the next three years, bringing the Gramm-Rudman-Hollings deficit targets within reach.

WISCONSIN OUTLOOK

The current forecast incorporates benchmark revisions to the Wisconsin employment data which were released by the Department of Industry, Labor and Human Relations in February, 1990. The benchmark process adjusts preliminary employment estimates, which are based on sample surveys, to the comprehensive employment totals which become available through the unemployment compensation system.

The benchmark revisions revealed that the Wisconsin economy grew more rapidly during 1988 and early 1989 than was previously thought. The revised data indicate that total nonfarm employment grew by 3.6 percent in 1988 as opposed to the 2.8 percent previously reported. Similarly, the growth rate for 1989 has been revised upward from 2.4 percent to 2.8 percent.

The combined effect of the revisions through the last quarter of 1989 was to increase total nonfarm employment by 35,000 jobs or 1.6 percent. The industry divisions showing the largest upward revisions were: trade employment +8,000 jobs (1.6 percent), service employment +18,000 jobs (3.7 percent), and construction employment +8,000 (10 percent).

The Wisconsin personal income data, produced by the U.S. Department of Commerce, have also been revised although not nearly as dramatically. The Department of Commerce revises its estimates each quarter as new data is released, resulting in more frequent but smaller revisions. The net effect of the personal income data revisions is small, with 1989 wage estimates slightly lower and farm income estimates slightly higher than previous estimates.

Estimates of total nonfarm employment for the first quarter of 1990 suggest continued strong economic growth. Total nonfarm employment grew at a 4.9 percent annual rate during the first quarter. Although this growth rate is not sustainable and may be exaggerated due to seasonal factors affecting the construction industry, it is a strong positive signal. Industry divisions showing the strongest growth were trade employment, which grew at a 10 percent annual rate, and construction employment, which grew at a phenomenal 44 percent annual rate.

A word of caution is in order here. Closely measuring economic trends requires the adjustment of employment data for "normal" seasonal variation. This inevitably leads to problems in interpretation when weather or other seasonal factors deviate from their normal patterns. Mild weather this winter clearly had a positive influence on first quarter employment in the construction industry and, thus, the 44 percent growth rate overstates the strength of the underlying trend. Nonetheless, the construction industry in Wisconsin appears to be in good shape and is adding strength to an already healthy Wisconsin economy.

Employment Outlook

The forecast calls for the rate of growth of the Wisconsin economy to moderate over the 1990 to 1992 period. Given the strong start, nonfarm employment is expected to grow 2.6 percent this year. In 1991 and 1992, employment growth is expected to slow to 1.7 percent and 1.1 percent respectively. These growth rates are slightly higher than corresponding U.S. growth rates, which is typical of the

performance of the Wisconsin economy in the mature stage of the business cycle.

The better than average performance is also attributable to the relative health of the Midwest economy. Areas of economic weakness in the U.S. are concentrated in the Northeast and some areas in the West. Projected cuts in defense spending will also have little effect on the Wisconsin economy. In general, however, the Wisconsin economy will reflect the slower growth in the U.S. economy. This will be particularly evident in the manufacturing sector where slow growth in the U.S. economy will translate into weakly growing demand for Wisconsin products. In this environment, manufacturing employment is likely to grow by less than 1 percent annually.

Rapid growth in the Wisconsin economy at this point in the business cycle would be difficult to sustain. Rapid growth in an economy with underutilized resources is possible and desirable. However, as an economy approaches full employment, growth is constrained by labor force growth which is currently low because of demographic reasons. The persistence of a relatively low unemployment rate indicates that the Wisconsin economy is near full employment. Evidence from the construction sector also indicates that the Wisconsin economy is operating at a high rate of capacity utilization.

Construction is a highly procyclical industry which reflects conditions in the local economy. A robust regional economy will normally have a strong construction sector, particularly as the region approaches full employment. Beyond that point, further growth in output requires additional investment. Similarly, a strong economy encourages households to invest in housing. In 1989 Wisconsin construction employment tied the 80,000 jobs record set in 1978. The forecast calls for construction employment to exceed 87,000 jobs this year and to remain near that level through the forecast period.

The forecast calls for the majority of jobs to be created in the trade and service industries. This has typically been the case throughout the current expansion and is particularly true in years when manufacturing growth is slow. Two factors are at work here. First, productivity growth is much higher in manufacturing industries allowing for modest output growth without additional employment. Second, some of the service sector growth is directly related to manufacturing activity. Business services has been the fastest growing segment of the service sector and is projected to grow rapidly through the forecast period.

Income Outlook

Wisconsin total personal income is expected to grow by 6.2 percent this year and by 6.7 percent in both 1991 and 1992. Nonfarm personal income is expected to grow at a steady 7 percent rate through the forecast period.

The largest component of personal income--wages and salaries--is forecast to increase 7.2 percent this year, 8.1 percent in 1991 and 7.5 percent in 1992. The acceleration in wage payments in 1990 is attributable to an acceleration in wage rate increases. This acceleration is expected to continue into 1991. After several years of relative weakness, Wisconsin's average wage per job is expected to increase more rapidly than the U.S. average. This turnaround is due to the relative tightness of Wisconsin's labor markets and slightly faster employment growth.

WISCONSIN LOCAL AREA EMPLOYMENT FORECASTS

Local area employment forecasts are made annually in May to provide a view of how the Wisconsin economic forecast may affect different areas of the

Continued on back cover

Wisconsin Employment Forecast

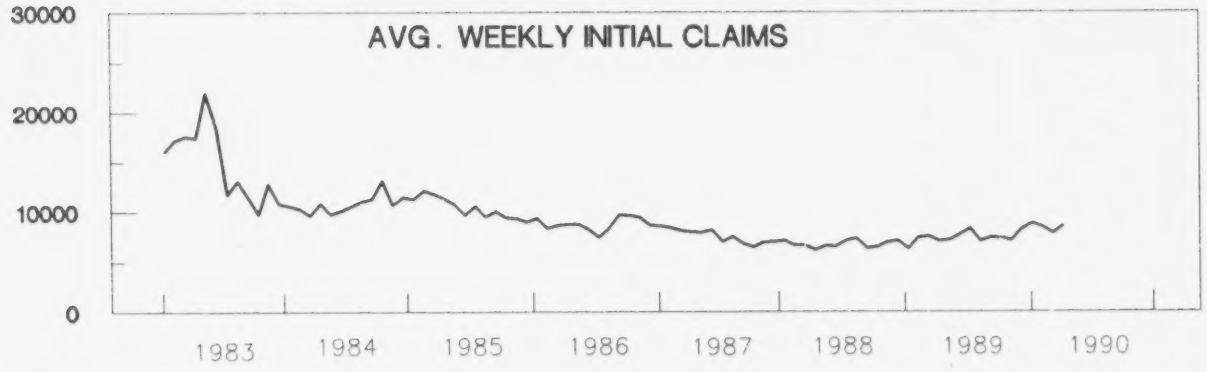
(Thousands of Workers, Annual Average)

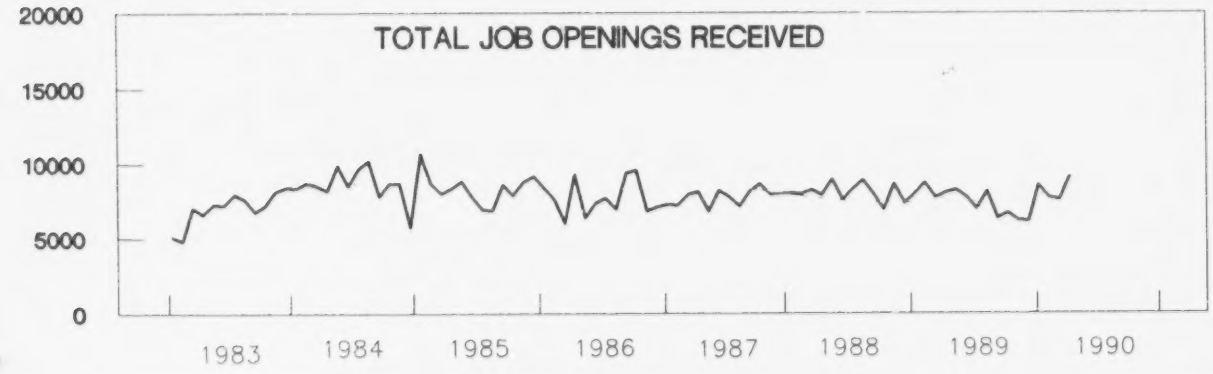
	1988	1989	1990	1991	1992
MANUFACTURING	551.8	556.2	561.2	566.0	564.5
DURABLES	336.4	336.8	336.6	338.7	337.7
LUMBER PRODUCTS	27.6	26.8	27.7	28.2	28.4
STONE, CLAY, GLASS	7.9	7.6	8.3	8.7	8.8
PRIMARY METALS	21.7	22.4	22.1	21.5	21.2
FABRICATED METALS	56.7	58.5	58.6	58.3	57.8
NON-ELECT. MACHINERY	108.8	110.1	111.6	113.1	112.2
ELECTRICAL MACHINERY	38.6	38.2	38.3	38.4	38.0
TRANS. EQUIPMENT	32.8	29.0	25.6	25.1	25.5
OTHER DURABLES	30.1	31.6	32.1	33.2	33.8
NONDURABLES	215.1	219.4	224.6	227.3	226.8
FOOD PRODUCTS	63.1	64.1	64.8	65.4	64.9
PAPER PRODUCTS	49.9	50.2	51.3	51.6	50.9
PRINTING & PUBLISHING	43.6	45.3	46.8	48.2	49.3
CHEMICALS	10.6	10.7	10.7	10.5	10.2
RUBBER & PLASTICS	28.3	30.6	32.3	33.2	33.7
OTHER NONDURABLES	19.6	18.5	18.7	18.4	17.8
MINING	2.1	2.3	2.2	2.2	2.2
CONSTRUCTION	76.4	80.8	87.5	86.0	85.9
TRANS., COMM., UTILITIES	97.5	99.9	100.6	99.7	99.3
FINANCE, INSUR., REAL EST.	115.3	118.1	121.7	125.0	127.7
TRADE	510.3	529.9	547.7	553.4	556.3
SERVICES	487.5	508.5	530.1	556.6	576.6
GOVERNMENT	327.8	334.0	337.1	338.6	341.6
TOTAL EMPLOYMENT (Nonfarm)	2168.4	2229.7	2288.1	2327.6	2354.1
APPLETON/OSHKOSH	151.6	156.3	161.0	164.4	166.9
EAU CLAIRE	57.2	60.2	62.1	63.5	64.7
GREEN BAY	97.0	101.1	104.5	107.3	109.5
JANESVILLE/BELOIT	57.1	58.5	58.6	59.4	61.0
KENOSHA	42.5	40.0	40.4	40.7	40.9
LA CROSSE	53.0	53.8	56.3	57.9	59.1
MADISON	205.1	212.3	219.6	225.4	230.4
MILWAUKEE	722.4	746.4	761.3	772.1	778.4
RACINE	73.8	76.7	78.3	79.4	79.9
SHEBOYGAN	49.5	51.8	53.0	54.1	54.8
WAUSAU	48.8	52.5	54.0	55.2	56.1
NON METRO AREAS	610.4	620.1	639.0	648.1	652.6

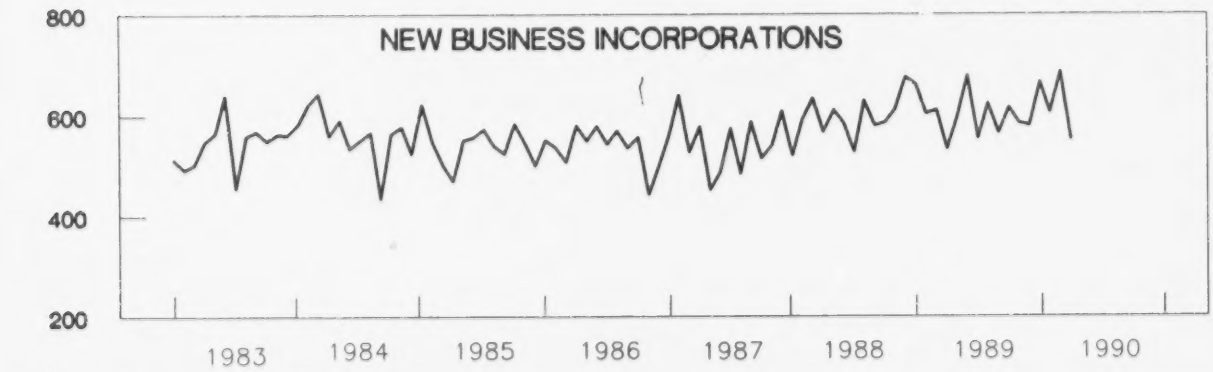
Section

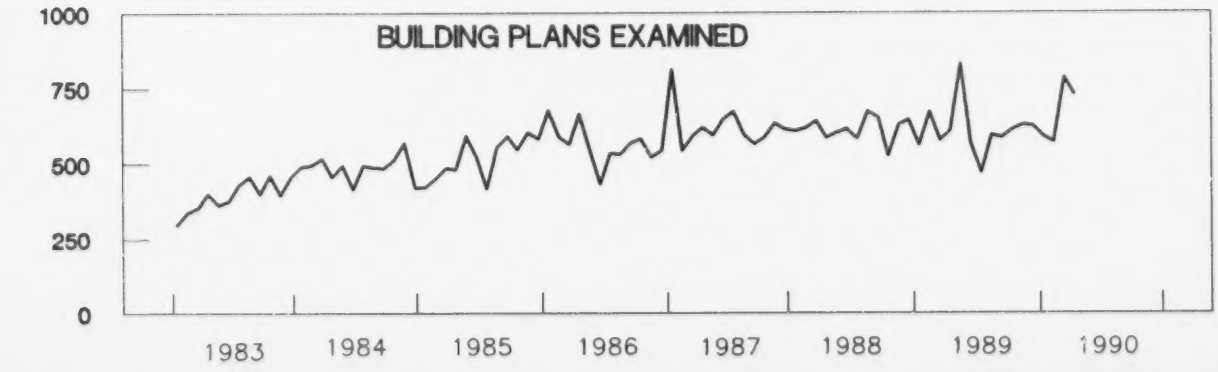
D

CYCLICAL INDICATORS









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state. The local forecasts are based on employment shares and trends in those shares and, as such, capture differences based on industry mix and historical trends. Forecasts are made for all eleven Wisconsin metropolitan statistical areas and the rest of the state labeled "non metro areas".

In 1989, Wisconsin total nonfarm employment grew by 2.8 percent. However, growth rates among the state's local areas differed widely from this average. The fastest growing area of the state was the Wausau area where employment increased 7.6 percent. Employment growth in Wausau was strong in most sectors but especially in manufacturing, construction, trade and services. Employment growth was also above average in Eau Claire (5.2 percent) and Green Bay (4.2 percent).

Kenosha was the weakest area in the state with employment falling 5.9 percent. This decline is lower than would have resulted from the Chrysler shutdown alone. Economic strength in the larger Milwaukee-Chicago region appears to be mitigating the negative multiplier effects one would expect if Kenosha were more geographically isolated. Below average growth was also experienced in La Crosse and in the non-metropolitan areas. In 1989, employment growth in the trade and service sectors in the non-metropolitan areas was distinctly weaker than the statewide average.

Consistent with the statewide forecast, employment growth is expected to moderate in all areas of the state. Above-average growth is anticipated in Appleton-Oshkosh, Eau Claire, Green Bay, La Crosse, Madison and Wausau. With the exception of Madison and La Crosse, these areas have all experienced better than average employment growth in the past few years. These trends are expected to continue.

Near average growth is expected for the Sheboygan and non-metropolitan areas. Employment growth is forecast to be just slightly below average in the Milwaukee, Racine and Janesville-Beloit areas.